

LONDON OIL REPORTS

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Volume 1 Number 11, May 14, 1979

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EXCLUSIVE: ADVANCE LOOK AT GLOOMY CIA REPORT SHOWS ALMOST NO GROWTH FOR WORLD OIL SUPPLIES

There will be little or no net growth in world oil supplies for the next three years, with severe negative implications for the economic growth of the Western world, according to a forthcoming report now being prepared by the U.S. Central Intelligence Agency.

The pessimistic assessment, "The Oil Market Through 1982," foresees a zero to 1-percent annual expansion in the amount of oil available during that period. This compares with a recorded annual increase of up to 2 percent since 1973.

CIA analysts believe that the static supply situation will trigger an accelerated scramble between developing nations and the industrialized West for available oil, a competition that will be heightened and sharpened by the absence of any effective international mechanism for allocation of oil supplies.

During the past five years, most industrialized Western nations have been able to keep their gross national products growing slightly faster than the slow expansion rate of oil availability by taking conservation measures, particularly in western Europe and Japan, and in the U.S. industrial sector. But such measures are seen to be insufficient when it comes to fueling the economic expansion planned by most nations -- industrialized and developing -- for the 1980s.

CIA analysts note that those growth plans include major expansion of nuclear energy -- a supplemental source that may no longer be politically viable in the United States and that could become doubtful in Europe as well, if a nuclear power plant accident were to take place there during the next 12 months. If the nuclear factor were removed from their projection, CIA analysts concede